

its TSLRIC or LRIC of providing such elements.

F. ILECs shall put into place a service ordering, repair, maintenance, and implementation scheduling system for use by TSPs, which is equivalent to that used by the ILECs and their affiliates for their own retail exchange services. Data pertaining to service and facility availability shall be made available to TSPs in the same manner used by the ILECs and their affiliates.

G. ILECs shall include on a non-discriminatory basis the telephone numbers of CLEC customers in the ILECs' (including ILEC affiliates') "White Pages" residential and business listings, "Yellow Pages" listings, "Blue Pages" government listings, and directory assistance databases associated with the areas covered by such publications in which the CLECs provide local telecommunications services either through resale or its own facilities. CLEC customers requesting to be omitted from such directories shall be omitted.

H. CLECs shall provide to the ILEC (including ILEC affiliate) publishing "White Pages", "Yellow Pages", and "Blue Pages" directories the names, addresses and telephone numbers of all CLEC customers that do not wish to be omitted from such directories. The entries of CLEC customers in ILEC directories shall be interspersed alphabetically among the entries of the ILEC customers and shall be no different in style, size or format than the entries of the ILEC customers.

I. ILECs shall, upon request of a CLEC, provide White, Yellow and Blue Pages directories to CLECs' customers.

J. TSPs shall allow nondiscriminatory access to their poles by other TSPs for pole attachments pursuant to Commission General Order dated December 17, 1984.

K. TSPs shall allow nondiscriminatory access to their conduits and rights-of-way by other TSPs for the provisioning of local telecommunications services."

"SECTION 202. Service Areas

"A. TSPs are permitted to provide telecommunications services in all historically designated ILEC service areas as described in existing Commission orders as of the effective date of these Regulations, or in maps, tariffs and rate schedules reviewed and approved by the Commission prior to the effective date of these Regulations, with the exception of service areas served by ILECs with 100,000 access lines or less statewide (the "Small ILECs"). The Small ILEC service area exemption does not apply to the provisioning of CMRS and PMRS. Additionally, the Small ILEC service area exemption does not apply to the provisioning of any telecommunications services authorized by the Commission in Subdocket "F" of Docket No. U-17949.

B. A Small ILEC may, once these Regulations are effective and subject to the provisions of

Section 301 below, provide telecommunications services in the historically designated service area(s) served by a non-exempted ILEC in which case the Small ILEC's historically designated service area(s) will become open to competition by all TSPs.

C. A Small ILEC shall be exempted from the provisions and mandates of the following Sections of these Regulations unless it provisions telecommunications services outside its historically designated service area(s), in which case the following provisions shall apply to that Small ILEC: 1) Section 801. Number Portability; 2) Section 901. Interconnection; 3) Section 1001. Unbundling; and 4) Section 1101. Resale.

D. A Small ILEC may, as provided in Section 701 below, petition the Commission to be regulated pursuant to a price cap plan in which case its historically designated service area(s) will become open to competition by all TSPs.

E. For Commission regulatory purposes, a Small ILEC choosing to provision telecommunications services outside its historically designated service area(s) shall segregate the assets, liabilities, revenues and expenses relating to services provisioned in its historically designated service area(s) from those relating to services offered or provided outside its historically designated service area(s). The Small ILEC's revenues not derived, and expenses not incurred from the Small ILEC's historically designated service area(s) shall not be considered by the Commission for purposes of applying Order No. U-21181, including LECAF funding. The Small ILEC's traditional ILEC operations shall not cross-subsidize its competitive ventures.

F. If a Small ILEC forms a subsidiary and/or other affiliate entity to provision telecommunications services outside its historically designated service area(s), the Small ILEC's historically designated service area(s) will not become open to competition by all TSPs. For Commission regulatory purposes, including the application of Order No. U-21181 and LECAF funding, the Small ILEC shall maintain separate books and accounts which segregate the assets, liabilities, revenues and expenses of the Small ILEC from those of the subsidiary and/or other affiliate entity. The Small ILEC's traditional ILEC operations shall not cross-subsidize the operations of any subsidiary and/or other affiliate entity providing telecommunications services outside the Small ILEC's historically designated service area(s). The Small ILEC shall apply all Commission imputation rules when dealing with its subsidiary and/or other affiliate.

G. The Small ILEC exemption will be evaluated by the Commission three years from the effective date of these Regulations to determine whether the exemption will be terminated, continued and/or modified.

H. An exclusive franchise, license or certificate shall not be issued to any TSP to provide telecommunications services for a particular service or geographic area by the Commission."

The LPSC agrees that service provider local number portability is essential to the development of effective competition in the local telecommunications markets. Thus, the LPSC has mandated that all TSPs providing local telecommunications services shall provide number portability that ensures that an end-user customer of local telecommunications services, while at the same location, shall be able to retain an existing telephone number without impairing the quality, reliability, or convenience of service when changing from one provider of local telecommunications services to another.

However, due to the lack of a permanent solution to accomplish this type of number portability between carriers, as an interim measure, remote call forwarding and direct inward dialing have been mandated to be made available at reasonable cost-based charges to CLECs from the ILECs. CLECs are required to reciprocate by offering number portability to an ILEC under the same arrangements.

Due to trials being run by industry in other states of permanent number portability solutions, the LPSC has established the policy that at the earliest possible date all TSPs shall cooperate and use their best efforts to design, develop and deploy number portability databases, associated connections and/or other arrangements to achieve a permanent number portability solution. The costs associated with development and deployment of a permanent number portability solution, such as a database, or other arrangement, should be recovered from all TSPs using or benefitting from such a solution.

The FCC seeks comment on numerous issues regarding the reciprocal compensation for transport and termination of traffic between carriers. The LPSC offers the Regulations it has established with regard to these issues as models for the FCC to rely when developing its policy under the 1996 Act.

The LPSC requires that the physical interconnect charges between and among TSPs shall be tariffed and based on cost information. The cost information derived from both TSLRIC and LRIC studies shall be provided to the Commission. This information will be used by the Commission to

determine a reasonable tariffed rate. There is no mandate that interconnection services be provided by the ILEC to TSPs at its TSLRIC or LRIC of providing such services.

According to the LPSC's Regulations, ILECs must conduct within ninety (90) days from the effective date of the Regulations the TSLRIC and LRIC studies on all basic network service components and file such studies with the Commission. Basic network components shall include, without limitation, network access, switching and switch functions, transport (dedicated and switched) and ancillary services.⁷ Interconnection tariffs shall be filed in accordance with the LPSC's tariff rules.

The LPSC has mandated that the exchange of local traffic between competing carriers be reciprocal, and that compensation arrangements for such exchange be mutual. That is, TSPs shall pay the same rate to each other for the termination of calls on the other's network. This rate will equal the intrastate switched access service rate - less the residual interconnection charge and the carrier common line charge - on a per minute basis.

Moreover, under the LPSC's Regulations, no ILEC or CLEC will pay any other ILEC or CLEC for more than 110% of the minutes of use of the provider with the lower minutes of use in the same month. For example, if TSP number one has 10,000 minutes of local traffic terminated on TSP number two's network, and TSP number two has 15,000 minutes of local traffic terminated on TSP number one's network, TSP number two will compensate TSP number one on the basis of 11,000 minutes (10,000 minutes x 110%). Such an arrangement avoids significant payment differences due to a traffic imbalance.

Additionally, ILECs and CLECs are required to file reports with the LPSC on April 1st of each year which show by month the volume of local terminating traffic delivered to ILECs or CLECs during

⁷Re A Methodology to Determine Long Run Incremental Cost, 156 PUR 4th 1, Michigan Public Service Commission, Case No. U-10620, September 8, 1994.

the previous year.

As a final comment, the LPSC states that section 252[d][2][B][I] authorizes states to impose bill and keep arrangements between carriers for call termination. There should be no limitations placed on the state's authority to adopt bill and keep arrangements.

IV. DUTIES IMPOSED ON "TELECOMMUNICATIONS CARRIERS" **BY SECTION 251[a]**

The FCC seeks comment on which carriers are included within the definition of a telecommunications carrier pursuant to Section 3 [44] of the 1996 Act.⁸ The LPSC has defined a "telecommunication service provider" as:

a generic term used to refer to any person or entity offering and/or providing telecommunication services for compensation or monetary gain.⁹

Additionally, the LPSC has defined a "telecommunication service" as:

the offering and/or providing of telecommunications for compensation or monetary gain to the public, or to such classes of users as to be effectively available to the public regardless of the facilities used to transmit the telecommunication services.¹⁰

Furthermore the LPSC has defined "telecommunications" as:

the bi-directional transmission of information of the users choosing between or among points specified by the user, including voice, data, image, graphics and video, without change in the form or content of the information as sent and received, by means of an electromagnetic and/or fiber optic transmission medium, including all instrumentalities, facilities, apparatus and services (including the collection, storage, forwarding, switching

⁸1996 Act, Sec. 3, 3 [44].

⁹Regulations at sec. 101[42].

¹⁰Regulations at sec. 101[41].

and delivery of such information) essential to such transmission.¹¹

Considering the LPSC's definitions stated, the LPSC's definition of a who should be considered a telecommunications provider is consistent with the FCC's proposed definition of a telecommunications carrier to be a carrier that is engaged in providing for a fee local, interexchange, or international basic services directly to the public or to such classes of users as to be effectively available directly to the public.¹²

With regards to Section 251[a][1] of the 1996 Act, a duty is imposed on telecommunications carriers to "interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers".¹³ Comment is sought on the meaning of "directly or indirectly" as used in Section 251[a][1].¹⁴ Furthermore the FCC has sought comments on whether its interpretation of Section 251[a] is correct. The FCC interprets this section to allow non-incumbent LEC's receiving an interconnection request from another carrier to the discretion to determine whether the requesting carrier can interconnect directly or indirectly to the non-incumbent LEC's network. In response to both of these issues the LPSC has pursuant to Section 301[k] of its Regulations required non-incumbent facility based LEC's to provide interconnection:

as close as technically possible to the end user or at other locations more efficient, technically or economically feasible to the party requesting interconnection. A cable

¹¹Regulations, Section 101 (39.)

¹²NPRM at ¶246.

¹³1996 Act, FCC. 101, §251(a)(1).

¹⁴Notice for Proposed Rule Making paragraph 248.

television system providing telecommunications services as a CLEC [non-incumbent LEC] shall make interconnection available at its head end or at other locations more efficient, technically or economically feasible to the party requesting interconnection.¹⁵

Additionally, all TSPs shall:

be able to interconnect with all unbundled basic network components at any technically feasible point within an ILEC's [incumbent local exchange carrier's] network.¹⁶

The LPSC's Regulations seem to provide a non-incumbent LEC some discretion to determine the "technically feasible" point for interconnection of a carrier requesting interconnection as long as that point is "more efficient, technically or economically feasible to the party requesting interconnection."¹⁷ With regard to an incumbent LEC's network, the Regulations are not as clear as to which party, the incumbent LEC or the TSP, determines the "technically feasible" point for interconnect purposes. It is anticipated that the "technically feasible" point for interconnect will be determine between the parties during the negotiation process or by the LPSC if the negotiation process fails.

V. EXEMPTIONS, SUSPENSIONS, AND MODIFICATIONS

The FCC has sought comment on whether it should establish standards that would assist states in satisfying their obligations under Section 251 [f][1][A] and 251 [f][1][B] of the act. Furthermore the Commission has sought comment on whether it should establish a standard definition regarding what constitutes a bona fide request. The LPSC pursuant to its Regulations for competition has established a definition for "bona fide request". The regulations define bona

¹⁵Regulations at Section 301(k)(2).

¹⁶Regulations at sec. 1001(D).

¹⁷Regulations at sec. 301(k)(2).

fide:

as a request to a telecommunications service provider that demonstrates a good faith showing by the requesting party that intends to purchase the services requested within ninety (90) days of the date of the request.¹⁸

Currently under Section 202 of the Regulations Small ILEC's [those with 100,000 access lines or less statewide] are exempted from the provisions and mandates of the Regulations requiring number portability, interconnection, unbundling and resale for a period of three (3) years.¹⁹ A Small ILEC though can lose this exemption if it elects to compete with another local exchange carrier outside of the Small ILEC's historically designated service area.²⁰ This exemption does not apply to 1+/0+ intraLATA toll dialing parity. Pursuant to LPSC General Order dated April 25, 1996, the LPSC provides a method by which a Small ILEC can petition the LPSC for a suspension or modification of its requirements to provide 1+/0+ intraLATA presubscription.²¹ The standard provided in Section 601 of the LPSC's General Order dated April 25, 1996, is the same standard that is provided in the 1996 Act under Section 251[f][2]. Section 601 provides:

A Local Exchange carrier with less than 2 percent of the Nation's subscriber lines installed in the aggregate nationwide may petition the Commission for a suspension or modification of a request or requests of the obligation to provide dialing parity through 2-PIC intraLATA Presubscription. The Commission, after a hearing, may grant a suspension or modification for such duration as the Commission determines that such suspension or modification-

(A) is necessary-

¹⁸Regulations at sec. 101(3).

¹⁹Regulations Section 202© and (g).

²⁰Regulations 202(b).

²¹Louisiana Public Service Commission General Order, dated April 25, 1996, *In re: regulations for 1+/0+ intraLATA equal access presubscription, at Section 601.*

- (1) to avoid a significant economic impact on users of telecommunications services generally;
- (2) to avoid imposing a requirement that is unduly economically burdensome;
- or
- (3) to avoid imposing a requirement that is technically infeasible;
- and

(B) is consistent with the public interest, convenience and necessity.²²

The Commission shall act upon any petition filed under this section within 180 days after receiving such petition. Pending such action, the Commission may suspend the enforcement of the requirement or requirements to which the petition applies with respect to the petitioning carrier or carriers.²³

The LPSC has standards and will apply the standards upon receiving a petition from a Small ILEC for an exemption, suspension and modification of an obligation required by the LPSC's Regulations or the 1996 Act.

VI. ADVANCED TELECOMMUNICATIONS CAPABILITY

The FCC seeks comment on what measures will promote competition in the local telecommunications market.²⁴ Section 706[a] of the 1996 Act provides that each state with regulatory jurisdiction over telecommunications services shall encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans (including in particular, elementary and secondary schools in classroom) by utilizing in a manner consistent with public interest, convenience and necessity, price cap regulation, regulatory forbearance, measures that promote competition in the local telecommunications market or other regulating

²²As provided in 47 USCA 251(f)(2).

²³Louisiana Public Service Commission General Order, dated April 25, 1996, *In re: regulations for 1+/-0+ intraLATA equal access presubscription, at Section 601*

²⁴NPRM at ¶ 263.

methods that remove barriers to interstructure investment.²⁵ The LPSC has recently enacted its Regulations for competition in the local telecommunications market. Section 701 of the Regulations provides for a consumer price protection plan. This plan is a price cap regulatory plan that has been established for large ILEC's within the State of Louisiana. A large ILEC in Louisiana is defined as a local exchange company with 100,000 or more access lines statewide. The only local exchange company to fall in this category is BellSouth Telecommunications, Inc. This plan was developed to enable a large ILEC to have the regulatory flexibility it needed to compete and financially survive in a competitive market place. It was also developed in conjunction with other sections within the Regulations which mandates the "opening up" of the local exchange market to competition. The Regulations require the unbundling of networks and interconnection and were developed precisely for the purpose of ensuring that competition in the telecommunications had a chance to develop within the State of Louisiana. Specifically, the preamble of the Louisiana Public Service Commissions Regulations for competition in the local telecommunication markets provides the following:

These regulations are designed to insure the Louisiana consumers in the Act will get benefit from competition. The Commission grants telecommunication service providers the opportunity to compete in the local telecommunications market under the conditions that consumers of Louisiana benefit by having greater choices among telecommunications products, prices and providers through the development of effective competition, which promotes the accessibility of new and innovative services at non-discriminatory prices consumers can and are willing to pay which results in wider deployment of existing services at competitive prices the public interest will be promoted.²⁶

It was the intent of the Louisiana Public Service Commission that all customers in

²⁵1996 Act, Section 706[a].

²⁶Regulations at Preamble.

Louisiana would have a greater choice among telecommunications products to choose, whether they lived in the rural areas or the urban areas. Additionally it was the hope that when competitors came to Louisiana, new and innovative services and products, including advanced telecommunications services, would be made accessible to all consumers in Louisiana.

Regarding the provision of advanced telecommunications services to schools, libraries and hospitals, the LPSC has already established an educational discount program. On March 18, 1994 this program was officially established and designed to provide a discount to qualifying schools and libraries for the installation of and the monthly service charge for ISDN and T1 service.²⁷ This program was extended to "government owned" hospitals on November 6, 1995.²⁸ While this program was initially being offered through a BellSouth Telecommunications, Inc. tariff, the Small ILEC's operating in Louisiana have concurred in these tariffs and provide these discounts to qualifying schools, libraries and "government owned" hospitals within their service area. As you can see by providing a method by which competition can come into the local exchange

²⁷Louisiana Public Service Commission Order No. U-17949-II, Docket Nos. U-17949 and U-17949(Subdocket A) Louisiana Public Service Commission, ex parte, *In re: Investigation of the Revenue Requirements, rate structure, charges, services, rate of return, and construction program of South Central Bell Telephone Company in its Louisiana intrastate operations, appropriate level of access charges in all matters relating to the rates and services rendered by the company-continuing earnings investigation*. (Expiration of reserved efficiency amortization and rate reductions attributable thereto dated March 18, 1994 as amended by Louisiana Public Service Commission Order dated March 18, 1994 and is further amended by Louisiana Public Service Commission Order U-17949-KK dated March 18, 1994.) See Exhibit 3. South Central Bell Telephone Company of Louisiana, General Subscribers Service Tariff, Section A.14 Educational Discount Program issued August 22, 1994, modified on October 6, 1995. See Exhibit 4.

²⁸South Central Bell Telephone Company of Louisiana, general Subscribers Service Tariff, Section A.14.2© Education Discount Program. Issued on October 6, 1995.

markets and schools, libraries and "government owned" hospitals can purchase at reduced rates advanced telecommunications services, it is the intent of the LPSC to provide the ability for providers of advanced telecommunications services to enter the telecommunications market in Louisiana and have the opportunity to provide such advanced telecommunication services to its consumers.

VII. ARBITRATION PROCESS

Section 252 sets out procedures for the negotiation, arbitration, and approval of agreements between requesting telecommunications carriers and incumbent local exchange carriers. State commissions are assigned various responsibilities in the process, including assistance with party negotiations, arbitration of issues unresolved through party negotiations, and approval or rejection of agreements adopted through negotiation or arbitration. The Louisiana Public Service Commission is in the process of developing procedures by which those responsibilities shall be accomplished.

The FCC has requested comments concerning its role in the procedures outlined in Section 252, and particularly with regard to the FCC's assumption of jurisdiction under certain circumstances. Specifically, the FCC has asked for comments on the extent of its assumed jurisdiction under Section 252[e][5], the FCC's application of State laws and standards in exercising its assumed jurisdiction under Section 252[e][5], and the meaning of the words "failure to act" in Section 252[e][5].

The Louisiana Public Service Commission has every intention of carrying out its Congressionally delegated responsibilities under Section 252 and does not anticipate the occurrence of circumstances under which the FCC would be called upon to assume any portion of

Louisiana's responsibilities in accordance with Section 252[e][5]. However, in the event of such an occurrence, it is the opinion of the Louisiana Public Service Commission that the FCC's jurisdiction would be specifically limited to the particular agreement at issue and to the performance of the specific function which was not performed by the State commission with regard to that particular agreement. Upon the FCC's completion of that specific function, jurisdiction over the agreement would revert back to the State commission.

Further, it is the opinion of the Louisiana Public Service Commission that the FCC would be bound by all of the laws and standards applicable to the State in the event the FCC assumes a portion of the State commission's responsibilities under Section 252[e][5], so as to avoid inconsistent results. Specific questions concerning a State's laws could be certified to the State.

Finally, the Louisiana Public Service Commission submits that interpretation of Congressional provisions within Section 252, including, specifically, the meaning of the words "failure to act" found in Section 252[e][5], is a matter which is more appropriately argued before and decided by the courts.

VIII. SECTION 252[i]

Section 252[i] of the Telecommunications Act of 1996 provides that a "local exchange carrier shall make available any interconnection, service or network element provided under an agreement approved under [section 252] to which it is a party to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement."²⁹ In Louisiana those "requesting telecommunications carriers" must be registered and approved as a Telecommunications

²⁹Telecommunications Act of 1996, amending 47 U.S.C. 151 et seq., Section 252[i].

Services Provider.³⁰ Such a requirement is a unique attribute of Louisiana law which must be considered when evaluating the meaning and interpretation of Section 252[I].

Comment is first sought with regard to establishing federal standards for resolving disputes under section 251[i]. Any standards established should clearly designate that these standards are to be used in the event that a state is preempted from exercising its authority pursuant to section 252[e][5]. Establishing federal standards without such a designation may be confusing to “requesting telecommunications carriers” or “local exchange carriers” who may assume that federal standards will be used at the state level as well. Louisiana is currently developing its own standards for resolving disputes. Uniform standards established at the federal level would not take into account the unique circumstances arising in each of the fifty states. For example in Louisiana, the large number of both independent telephone companies and rural customers requires special standards. Therefore, this Commission contends that any standard established should specifically designate that they are to be used only if a state has failed to act under this subsection and the Federal Communications Commission has exercised its authority to preempt under section 252[e][5]. Additionally, this preemption and application of any federal standard should extend only to determinations in “this proceeding or matter.”³¹

Comment is also sought as to the meaning of section 251[i]. A telecommunications carrier authorized to do business in Louisiana can avail itself of any agreement providing for interconnection, service or network elements. The “same terms and conditions as those provided in the agreement” shall apply to all state approved requesting carriers. Differential treatment of carriers is inappropriate

³⁰Louisiana Public Service Commission Order No.U-20883, Regulations for Competition in the Local Telecommunications Market.

³¹Telecommunications Act of 1996, amending, 47 U.S.C. 151 et seq., Section 252(e)(5).

with regards to this section. All telecommunications carriers are able to avail themselves “upon the same terms and conditions as those provided in the agreement.”³²

This interpretation of this provision may have the effect of deterring contractual arrangements between parties. It may in fact cost different amounts to service different customers, but all telecommunications carriers would be able to avail themselves of a rate which involves a degree of compromise on the part of the local exchange carriers. All telecommunications carriers however, have the option to attempt to negotiate with the local exchange carrier themselves or simply accept the state commission approved rate provided for in the Statement of Generally Available Terms.³³

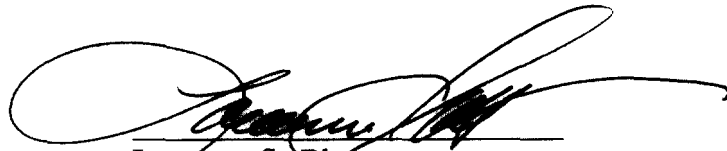
Finally, comment is sought as to the length of time for the availability of such contracts. Allowing telecommunications carriers to use contracts which no longer have effect between contracting parties is unacceptable. Telecommunications carriers should only be able to avail themselves of the provisions of previously negotiated contracts between the local exchange carrier and other parties for as long as the contract is effective between the contracting parties. Such an interpretation insures that local exchange carriers negotiating contracts in 1998 will not be obliged to provide the same rates to telecommunication carriers in 2018, when cost have increased above the contracted prices. However, if local exchange carriers enter into long term contracts, other telecommunications carriers should be allowed to avail themselves of such rates for as long as the contract is in effect between the original parties. The local exchange carriers should bear the risk of such long term contracts.

Based on the above, this comment is being submitted.

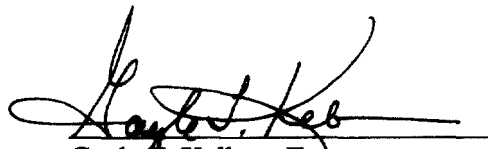
³²Telecommunications Act of 1996, amending 47 U.S.C. 151 et seq., Section 251(I).

³³Id. at 252(f).

Respectfully submitted,



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LOUISIANA PUBLIC SERVICE COMMISSION

GENERAL ORDER

In re: Regulations for Competition in the Local Telecommunications Market

At the April 13, 1994 Commission's Business and Executive Session, the Commission adopted a policy statement dealing with (i) the Commission's jurisdiction over all companies and entities, including alternative access providers, that intend to provide or otherwise provide local or other intrastate telephone service in Louisiana, (ii) the intent of the Commission to develop rules and regulations for such companies and entities, and (iii) to that end, the authorization of a generic docket and issuance of a Notice of Proposed Rulemaking for the development of such rules and regulations. In furtherance of the policy adopted by the Commission and as ordered by the Commission, Docket U-20883, Louisiana Public Service Commission, ex parte, *In re: The development of rules and regulations applicable to the entry and operations of and the providing of service by competitive and alternative access providers in the local intrastate and or interexchange telecommunications markets in Louisiana* (the "Competition Docket") was formally opened and published in the Commission's Official Bulletin No. 539 dated April 22, 1994.

The following parties filed formal interventions in this docket: Paramount Wireless Communications Corp. (Paramount Wireless), Wireless One, Inc., Louisiana Cable Television Association (LCTA), AT&T Communications of the South Central States, Inc. (AT&T), Shreveport Cellular Telephone Company (Shreveport Cellular), Lafayette Cellular Telephone Company (Lafayette Cellular)¹, Monroe Cellular Limited Partnership (Monroe Cellular), American Communication Services of Louisiana, Inc. (ACSI), MCI Telecommunications Corporation (MCI), East Ascension Telephone Company, Inc. (EATEL), BellSouth Telecommunications, Inc., d/b/a South Central Bell Telephone Company (SCB)², The Council of the City of New Orleans, McCaw Cellular Communications, Inc. (McCaw Cellular)³, LDDSMetromedia Communications (LDDS), Teleport Communications Group Inc. (TCG), the Small Company Committee of the Louisiana Telephone Association (SCC), Sprint Communications Company L.P. (Sprint), Reserve Telephone Co. (Reserve Telephone), Centennial Beauregard Cellular Corp. (Centennial Cellular), Entergy Services, Inc., Radiofone, Inc. (Radiofone), Metropolitan Fiber Systems of New Orleans, Inc. (MFS), Cameron Telephone Company, BellSouth Mobility, Inc. (BSM), Global Tel*Link, Inc. (Global), GNet Telecom, Inc. (GNet) and BRI, Inc. (BRI). The following parties filed as interested parties: Michael R. Gardner, Esq., Federal Trade Commission, State of Michigan Department of Commerce, Peoples Telephone Companies, Inc., Vision Cable of Alpine, the Alliance Against Utility Competition in Private Sector Industries (AAUC), Crescent City Networks Corporation (Crescent City Networks), Lemle & Kelleher, Dow, Lohnes & Albertson, the City of Kenner, Louisiana Telecom Affairs, State of Louisiana Office of Telecommunications Management, International Telecommunications Service, Inc., the Telecommunications Resellers Association (TRA), Technologies Management, JTS Interests, Allnet Communication Services, Inc. d/b/a Frontier Communications Services, Inc., and Tipton Ross Company.

A Scheduling Conference was held on July 23, 1994 at which time several dates were established. First, July 15, 1994 was established as the date all parties were to submit a suggested

¹Notice of Withdrawal of Intervention on Behalf of Lafayette Cellular Telephone Company was filed by AT&T Wireless Services, Inc. on November 21, 1995 due to its sale of Lafayette Cellular to Centennial Cellular Corp.

²Now known exclusively as BellSouth Telecommunications, Inc.

³Now known as AT&T Wireless Services, Inc.

list of issues to be considered in this docket; second, on August 1, 1994 parties were to submit a reconsidered list of issues to the Commission; third, on September 15 and 16, 1994 presentations to the Commission were scheduled to be made by the parties regarding the extent that competition already exists in Louisiana and current barriers to competition; and finally, November 14-18, 1994 and January 12-13, 1995 were set as the dates for Technical Conferences

Presentations were made on September 15 and 16, 1994, by SCB, SCC, AT&T, MCI, TCG, MFS, LCTA, Shreveport, Lafayette and Monroe Cellular, and the AAUC as to the current status of competition in Louisiana and barriers to competition. The Technical Conferences originally scheduled for November 14-18, 1994, were rescheduled to commence on November 30, 1994 and conclude on December 2, 1994.

The first round of Technical Conferences were held on November 30 through December 2, 1994. Participating in this Technical Conference were SCB, AT&T, MCI, Sprint, LDDS, LCTA, Radiofone, Centennial Cellular, McCaw Cellular, Shreveport Cellular, Monroe Cellular, Lafayette Cellular, SCC, Reserve Telephone, and EATEL. All participants were invited to comment on the following issues in order to aid the Commission in formulating appropriate regulations for competition in the local telecommunications market:

1. To what extent is competition in the local intrastate and/or inter-exchange telecommunications market in Louisiana in the Public interest?
What services should be competitive?
When should competition begin? Should competition commence all at once or be phased in?
Where should competition begin? Should it be statewide or through pilot programs.
What are the benefits of competition?
What are possible drawbacks of competition?
What is the likely future level of competition?
What restraints, if and would be appropriate on "skimming?"
2. How will consumer/rate payers be protected?
In regard to dispute resolution
In regard to rate discrimination?
In regard to access to services including new Offerings?
In regard to rate shock?
In regard to inferior service?
In regard to privacy and use of customer information?
3. How will Local Option[al] Service be accommodated in a competitive environment?
Would entrants be required to offer local calling areas identical to those offered by LEC's?
Should Local Option[al] service be permitted on other terms and conditions?
Should LEC's be required to comply with an imputation standard for LOS calls in the 22 - 40 mile range?
4. What tariffs and reporting requirements should be established?
What carriers should be required to file tariffs?
For which service should tariffs be required?
What would a tariff filing consist of?
Would it be appropriate for the Commission to require new local entrants along with incumbents to provide periodical reports for the Commission to analyze concerning the growth of competition? If so, what reports? How often?
Should the incumbent LEC's have the same tariff filing requirements as CAPS?
To what extent should current LEC tariff and reporting requirements be altered?
How are prices to be determined? Price caps, price floors and/or ceilings, rate of return, other methods, free market?
What other filings, reports should be required?
Should requirements change with the growth of competition and at what point would change be appropriate?

Should termination charges be prohibited for customers who change carriers?
Exceptions?

5. What entry and service standards should be established?

What should be the criteria for admission of new entrants?

What should be the standards of service to be required of new entrants?

What features, such as for example directory listing, access to 911, operator assistance, etc. should be required?

Who has the obligation to serve?

6. How will the practicalities of Networking and Interconnection be accomplished?

How will carriers complete calls across competing networks?

Should the Commission require the interconnection of all networks?

What physical connection arrangements are available, desirable?

What criteria and mechanism for access should be established?

Should CAPS have access to LEC data bases? If so, under what terms and conditions?

Should all carriers be barred from developing incompatible systems?

How will interaction of wireless services be part of the overall consideration?

To what extent should bypass of existing facilities and the duplication of facilities be considered?

The second round of Technical Conferences were held on January 12 and 13, 1995. The following parties participated in this Technical Conference: SCB, AT&T, MCI, Sprint, LDDS, LCTA, Radiofone, Centennial Cellular, McCaw Cellular, Shreveport Cellular, Monroe Cellular, Lafayette Cellular, SCC, Reserve Telephone and EATEL. Discussion of the following issues was encouraged of all participants at the Technical Conference:

1. How will Universal Service be provided?⁴

Which services provide the subsidy? Quantify the amount of the subsidy that is necessary to support universal service.

Which universal service components, if any, are now provided under cost, and by how much?

How would universal service be preserved in a competitive market?

Who has an obligation to provide universal service?

At what point would responsibility shift to alternate provider?

Who should be required to pay for universal service?

Is a universal fund feasible?

How would a universal fund be set up and administered?

What alternatives are there?

How is the cost of universal service to be determined? LRIC/TSRILC cost studies?

2. How will carrier of last resort and life-line service be provided?

Is there a continuing need for carrier of last resort?

What criteria would be used to determine carrier of last resort?

What would be necessary in order to continue low cost life-line services to all customer in need of the service?

3. Is number portability technically and economically feasible?

What alternatives are there to number portability?

Because discussion of all of the remaining issues could not be completed at the January Technical Conference, a final round of Technical Conferences was scheduled for February 16 and

⁴LPSC Docket U-20883 (Subdocket A - Universal Service) was ordered open by the Commission at its October 12, 1994 Open Session to specifically address the issue of Universal Service. A hearing was held on December 15, 1994 regarding what services should be included in the definition of Universal Service. The Commission adopted definition of Universal Service can be found in LPSC General Order dated May 22, 1995

17, 1995. Participating in the final round of Technical Conferences were SCB, AT&T, MCI, Sprint, LDDS, LCTA, Radiofone, Centennial Cellular, McCaw Cellular, Shreveport Cellular, Monroe Cellular, Lafayette Cellular, SCC, Reserve Telephone and Paramount Wireless. Comments were solicited from all of the participants regarding the following issues.

1. How will price/rate determinations among carriers be reached?
What level of unbundling should be required?
What service should be available for resale?
How should unbundled services be priced?
How should packaged services be priced?
What method of price determination should be employed?
How can prices be monitored for fairness?
What protection should be provided against anti-competitive behavior and discriminatory conduct and pricing?
2. How will expanded services and new technologies be accommodated or encouraged?
What can be done to encourage emerging technology?
What can be done to ensure Louisiana can make full use of the information superhighway?
How will multimedia service be provided?
What safeguards need to be put in place so rural as well as urban customers are able to take full advantage of new services?

At the conclusion of the Technical Conferences, all parties were given until April 20, 1995 to file formal written comments and suggested proposed regulations. Pursuant to an agreement of all of the parties, the April 20, 1995 deadline for the filing of proposed regulations was extended to April 28, 1995. Sprint, Radiofone, Centennial Cellular, SCC, LCTA and SCB filed comments and proposed regulations. Additionally, a jointly submitted set of proposed regulations was filed by AT&T, McCaw Cellular, MCI and LDDS.

While the Competition Docket was proceeding, the Regulatory Track of Docket U-17949 (Subdocket E) was likewise proceeding. As the regulatory track progressed it became evident that inconsistent or conflicting regulatory schemes could be developed in the parallel dockets. Subsequently, in order to promote consistent regulation of the telecommunications industry in Louisiana, the Commission at its July 19, 1995 Open Session ordered the transfer of the Regulatory Track of Docket U-17949 (Subdocket E) into the Competition Docket (U-20883).⁵

On September 1, 1995, after analyzing and considering the written comments and suggested proposed regulations filed by each party, the Commission Staff issued its initial draft of the *Proposed Regulations for Competition in the Local Telecommunications Market*. Written comments and stipulations to these proposed regulations were solicited from all parties to be filed by September 11, 1995, which date was extended to September 12, 1995. Comments were filed by AT&T, Shreveport Cellular, Lafayette Cellular, Monroe Cellular, MCI, Centennial Cellular, LCTA, LDDS, Crescent City Networks, Sprint and Paramount Wireless.

A Stipulation Conference was held on September 18 through 21, 1995, where each provision of the proposed regulations was scrutinized by all parties. The goal of this conference was to determine which provisions of the proposed regulations the parties agreed to and which provisions there was genuine disagreement. Staff was questioned extensively as to the intent behind each provision, the interrelationship between different provisions, and the meaning of terms used and not specifically defined. Each party was given an opportunity to discuss the impact particular provisions would have on that party. After considering the input of the parties, some of the provisions were rewritten at the conference in an effort to develop a workable set of regulations. At the conclusion of the conference it was determined that none of the parties could stipulate to all of the regulations as written.

⁵Order U-17949 (Subdocket E) dated August 22, 1995.

In order to obtain additional input from the parties, on September 27, 1995, a Second Notice of Amendment of Procedural Schedule was issued. This Procedural Schedule provided that a second draft of the *Proposed Regulations for Competition in the Local Telecommunications Market* would be issued by the Staff on October 6, 1995 followed by the parties filing written stipulations to the proposed regulations by 12:00 noon on October 13, 1995. In accordance with the Procedural Schedule, and after considering each party's comments from the Stipulation Conference, the Staff issued its second draft entitled the *Second Revised Proposed Regulations for Competition in the Local Telecommunications Market* on October 6, 1995. On October 9, 1995, SCB filed *Objections To Amendment To Procedural Schedule* and requested a stay in the proceedings until its objections were considered by the Commission. Comments and/or written stipulations to the *Second Revised Proposed Regulations for Competition in the Local Telecommunications Market* were filed in accordance with the Procedural Schedule on October 13, 1995 by LDDS, SCC, SCB, Global, MCI, LCTA, AT&T and EATEL. On October 20, 1995, the stay was granted by Administrative Law Judge Carolyn L. DeVitis until the Commission could consider SCB's objections at its scheduled October 24, 1995 Open Session. At the Commission's Open Session, the Commission denied SCB's objections and found that Rule 56 and the adjudicative provision of Part XI of the Rules of Practice and Procedure are inapplicable to rulemaking proceedings.⁶

Subsequently, on October 24, 1995, a rulemaking procedural schedule was issued by the Commission, through its Secretary, establishing comment and reply comment periods to ensure that all parties were given ample opportunity to comment on the proposed regulations.⁷ The following dates were set:

Staff Issuance of the Third Revised Regulation.....	October 26, 1995
Comments Due [by the parties].....	November 15, 1995
Reply Comments Due [by the parties].....	November 27, 1995

After considering each party's filed comments to the *Second Revised Proposed Regulations for Competition in the Local Telecommunications Market*, the Staff released its third draft of the proposed regulations entitled *Third Revised Proposed Regulations for Competition in the Local Telecommunications Market* on November 1, 1995. Because of the delay in the issuance of the the third revision of the proposed regulations and in order to give all parties ample time to file comments, the comment periods established pursuant to the procedural schedule issued on October 24, 1995, were revised to:

Comments Due [by the parties].....	November 21, 1995
Reply Comments Due [by the parties].....	December 1, 1995

On November 21, 1995, comments were officially filed by SCB, BSM, Paramount Wireless, LCTA, TSA, AT&T, Global, Sprint, Centennial Cellular, Radiofone, McCaw Cellular, MCI, EATEL, LDDS, SCC, BRI, Kaplan Telephone Company, Reserve Telephone, Liskow & Lewis and Postlethwaite & Netterville. Due to the Thanksgiving Holidays, the large number of parties filing comments and to ensure all parties had adequate time to file comments, the deadline for filing reply comments was extended to December 8, 1995. Reply comments were filed by AT&T, MCI, SCB, SCC, ACSI, Global, Sprint and EATEL.

After consideration of all comments and reply comments filed by the parties, staff issued *Commission Staff's Final Proposed Regulations for Competition in the Local Telecommunications Market* on January 18, 1996. A Public Hearing on the *Commission Staff's*

⁶Order U-20883, *Louisiana Public Service Commission, ex parte. In re: The Development of Rules and Regulations Applicable to the Entry and Operations of, and the Providing of Service by, Competitive and Alternate Access Providers in the Local, Intrastate and/or Interexchange Telecommunications Market in Louisiana*, dated October 27, 1995.

⁷On November 17, 1995, SCB filed an Objection to October 24, 1995 Revised Procedural Schedule. This objection was later withdrawn by SCB.

Final Proposed Regulations for Competition in the Local Telecommunications Market was held on February 13, 1996 before Commissioners Brupbacher, Dixon, Sittig and Schwegmann to give each party an opportunity to present oral arguments on how the proposed regulations should be modified. At the conclusion of the hearing, all parties and the general public were invited to file proposed amendments to the proposed regulations by 4:30 p.m. on February 26, 1996 in order to be considered prior to the regulations' adoption. Proposed amendments were received from ACSI, BSM, BRI, LDDS, Cox Communications, Telecommunication Management Association, LCTA, MCI, McCaw, AT&T, Radiofone and Centennial Cellular.

In addition to the parties submission of proposed amendments to *Commission Staff's Final Proposed Regulations for Competition in the Local Telecommunications Market*, Commissioners Schwegmann, Dixon and Brupbacher submitted proposed amendments. Commission Brupbacher's proposed amendments were submitted in the form of complete substitute regulations based on the *Commission Staff's Final Proposed Regulations for Competition in the Local Telecommunications Market*. These substitute proposed regulations contained several amendments directly resulting from settlement negotiations with BellSouth Telecommunications, Inc. regarding two pending Commission proceedings, Docket U-17949 (Subdocket E - Financial Tract) and U-17949 (Subdocket A - Reengineering). Commissioners Schwegmann and Dixon's amendments addressed specific provisions, sentences and/or words of the *Commission Staff's Final Proposed Regulations for Competition in the Local Telecommunications Market* and proposed specific changes thereto.

In an effort to avoid confusion, Commission Brupbacher's substitute regulations were designated the *Substitute Proposed Regulations for Competition in the Local Telecommunications Market*, and along with Commission Schwegmann and Dixon's amendments, were filed into the record on February 27, 1996 and made available to all parties on February 28, 1996.

At the Commission's March 5, 1996 Open Session, the first two items on the agenda were:

"Ex. 1a ____ U-17949 (Subdocket-A) (Reengineering Adjustment) - BellSouth Telecommunication, inc., d/b/a South Central Bell Telephone Company vs. Louisiana Public Service Commission, 19th Judicial District Court, Docket No. 418205-1

U-17949 (Subdocket - E) - In re: Development of Regulatory Plan for South Central Bell, including Assessment of Alternative Forms of Regulation, Depreciation Methods and Expensing, Cost of Capital, Capital Structure, and Other Related Matters.

Re: Discussion of Stipulation/Possible Settlement by Staff Attorney Gayle Kellner. Possible Executive Session Pursuant to LA. R.S. 42:6.1(A)(2)

Ex. 1b ____ U-20883 - Louisiana Public Service Commission, ex parte. In re: The development of rules and regulations applicable to the entry and operations of, and the providing of services by, competitive and alternate access providers in the local intrastate and/or interexchange telecommunications market in Louisiana.

Re: Consideration of Proposed Rule and Amendments thereto."

The Commission first considered Ex. 1a detailed above. On the motion of Commissioner Brupbacher, seconded by Commissioner Owen with Commissioners Sittig and Dixon concurring, and Commissioner Schwegmann absent, the Commission voted to go into Executive Session to discuss a proposed Stipulation by BellSouth Telecommunications, Inc. and the possible settlement of the above reference litigation. Upon the conclusion of the Executive Session and reconvening of the Open Session, on motion of Commissioner Brupbacher, seconded by Commissioner Sittig

with Commissioners Owen and Dixon concurring, and Commissioner Schwegmann absent, the Commission voted to accept the proposed Stipulation and Settlement Agreement with BellSouth Telecommunications, Inc.¹ The Stipulation sets forth the following provisions, among others:

- "1. Effective April 1, 1996, BST will be regulated pursuant to the terms of the Consumer Price Protection Plan (Price Plan) set forth in Section 701 of the *Substitute Proposed Regulations for Competition in the Local Telecommunications Market* ("*Substitute Regulations*") filed in Docket U-20883 February 27, 1996, as adopted by the Commission at its March 5, 1996 Business and Executive Session, and attached hereto as Exhibit 1.
2. Over the initial three (3) that BST is regulated pursuant to the Price Plan, BST shall reduce its rates in the cumulative amount of seventy million dollars (\$70,000,000) with the first reduction occurring in April, 1996 in settlement of Docket U-17949 (Subdocket E). Additionally, BST shall make a one time nine million dollar (\$9,000,000) credit to BST ratepayers in April, 1996 in settlement of Docket U-17949 (Subdocket A - Reengineering)."

The Commission next considered Ex. 1b. After due consideration of the extensive record built in this proceeding including, but not limited to, the comments filed by all of the parties, the numerous presentations made by the parties to the Commissioners and Staff, and the amendments proposed by the parties and the Commissioners, and furthermore, giving due consideration to the Stipulation and Settlement Agreement entered in Dockets U-17949 (Subdocket E) and U-17949 (Subdocket A - Reengineering) and the Telecommunications Act of 1996,² and in order to effectuate the policies set forth in the Preamble of the *Substitute Proposed Regulations for Competition in the Local Telecommunications Market*, on the motion of Commissioner Brupbacher, seconded by Commissioner Sittig, with Commissioners Owen and Dixon concurring, and Commissioner Schwegmann absent, the Commission voted to adopt Commissioner Brupbacher's proposed *Substitute Proposed Regulations for Competition in the Local Telecommunications Market* filed into the record on February 27, 1996 which included Staff amendments and several amendments proposed by the Commissioners.

IT IS THEREFORE ORDERED THAT:

1. The *Substitute Proposed Regulations for Competition in the Local Telecommunications Market* attached hereto and made a part hereof, are hereby adopted.
2. The *Substitute Proposed Regulations for Competition in the Local Telecommunications Market* shall be redesignated and known from this time forward as the *Regulations for Competition in the Local Telecommunications Market*.
3. All provisions of the *Regulations for Competition in the Local Telecommunications Market* are hereby ordered by the Commission.

¹See Orders U-17949-TT, dated March 15, 1996 (Docket U-17949 (Subdocket E): Louisiana Public Service Commission, ex parte. In re: Development of regulatory plan for South Central Bell, including assessment of alternative forms of regulation; depreciation methods and expensing; cost of capital structure; and other related matters) and U-17949-UU, dated March 15, 1996 (Docket U-17949 (Subdocket A) Louisiana Public Service Commission, ex parte. In re: Investigation of the Revenue Requirements, Rate Structure, Charges, Services, Rate of Return, and Construction Program of South Central Bell Telephone Company in its Louisiana Intrastate Operations, Appropriate Level of Access Charges and all matters relating to the Rates and Services rendered by the Company - Reengineering Adjustment Investigation.)

²Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996), amending the Communications Act of 1934, 47 U.S.C. 151 *et seq.*, and 18 U.S.C. 1462

4. All entities subject to the provisions of this Order and the *Regulations for Competition in the Local Telecommunications Market* shall take all actions required by this Order and the *Regulations for Competition in the Local Telecommunications Market*.

5. This order shall be effective immediately

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
March 15, 1996

Absent

JOHN F. SCHWEGMANN, CHAIRMAN
DISTRICT I

/s/ IRMA MUSE DIXON
IRMA MUSE DIXON, VICE-CHAIRMAN
DISTRICT III

/s/ DALE SITTIG
C. DALE SITTIG, COMMISSIONER
DISTRICT IV

/s/ DON OWEN
DON OWEN, COMMISSIONER
DISTRICT V

/s/ ROSS P. BRUPBACHER
ROSS BRUPBACHER, COMMISSIONER
DISTRICT II


SECRETARY

LOUISIANA PUBLIC SERVICE COMMISSION
REGULATIONS FOR COMPETITION IN
THE LOCAL TELECOMMUNICATIONS MARKET

PREAMBLE

The Louisiana Public Service Commission hereby promulgates the following regulations (the "Regulations") to foster the transition from monopoly to competitive local telecommunications markets in Louisiana. The Commission imposes these Regulations for competition within local service areas in order to encourage competitive entry, preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers while ensuring that the rates charged and services rendered by telecommunications services providers are just and reasonable.

The Commission recognizes that, given current local telecommunications markets, competition in every segment of these markets will take time to develop. It is likely that the introduction of competitive services will occur asymmetrically with new entrants initially targeting high volume, heavily populated urban areas, and other selected high-profit areas, and that, therefore, the benefits resulting from competition will be seen first in those areas. However, it is the policy of the Commission that all Louisiana consumers should benefit from competition. Although a limited exemption is proposed for incumbent local exchange carriers with 100,000 access lines or less in Louisiana, the Commission encourages competition throughout Louisiana.

These Regulations are designed to ensure that Louisiana consumers in the aggregate benefit from competition. The Commission grants telecommunications services providers the opportunity to compete in local telecommunications markets under the condition that the consumers of Louisiana benefit by having greater choices among telecommunications products, prices and providers. Through the development of effective competition, which promotes the accessibility of new and innovative services at non-discriminatory prices consumers can and are willing to pay, and which results in wider deployment of existing services at competitive prices, the public interest will be promoted.